

**ANNUAL USE OF CAPITAL SURVEY - 2009****NAME OF INSTITUTION**

(Include Holding Company Where Applicable)

Foresight Financial Group, Inc.

Person to be contacted regarding this report:	Dean E. Cooke
CPP Funds Received:	\$15,000,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	5/15/2009
Date Repaid ¹ :	

RSSD: (For Bank Holding Companies)	1137453
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	
City:	Rockford
State:	Illinois

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	Based on a comparative of June 2009 to March 2010 outstanding average loans the group increased lending by slightly over \$6 million. This increase was facilitated by removal of burdensome, non-accrual assets from the subsidiary banks with \$12 million of the \$15 million TARP Capital proceeds.
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<input checked="" type="checkbox"/>	<p>To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).</p>	<p>The group has increased 1-4 residential secured credits by \$2.6 million, commercial operating credit by \$3.275 million and agricultural production loans by \$3.17 million. Overall total loan balances have increased modestly with a shift from commercial real estate.</p>
<input checked="" type="checkbox"/>	<p>Increase securities purchased (ABS, MBS, etc.).</p>	<p>The group has expanded its securities portfolio by a net of almost \$30 million adding \$19.4 million in MBS related securities and \$18.8 million in municipal securities and to a lesser degree lowering its holdings in agency securities by \$8.4 million.</p>
<input type="checkbox"/>	<p>Make other investments</p>	
<input checked="" type="checkbox"/>	<p>Increase reserves for non-performing assets</p>	<p>The group has aggressively reserved for non-performing assets with the current reserve being \$4.6 million greater than at the receipt of TARP. Current reserve balance stands at over \$11.5 million.</p>

<input checked="" type="checkbox"/>	Reduce borrowings	The group has decreased its current reliance on FHLB borrowings by over \$3 million.
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	Between \$3 - \$4 million of the original \$15 million of TARP funds is currently being retained as cash for "additional capital cushion."

What actions were you able to avoid because of the capital infusion of CPP funds?

The receipt of TARP funds has allowed the group to avoid the necessity of reducing loans to improve Total Risk Based Capital.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

The infusion of CPP funds afforded the holding company the ability to purchase non-accrual assets from its subsidiary banks.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

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